



Doing Business in Ethiopia:

A Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Ethiopia

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Market Overview

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- Ethiopia's population of over 77 million (2006) make it potentially one of the largest markets in Africa. Despite a Gross Domestic Product (GDP) per capita of about \$180, Ethiopia has been among the top ten U.S. markets in sub-Saharan Africa over the last several years.
- Since the early 1990's, Ethiopia has pursued a development strategy based on a mixed economy of both state and private enterprises. It has eliminated discriminatory tax, credit, and foreign trade treatment of the private sector and tried to simplify bureaucratic regulations and procedures.
- Real GDP was estimated at \$11.5 billion in 2007. The economy is predominantly agricultural, with agriculture contributing 46 percent to the GDP and employing over 80 percent of the population. Annual average GDP growth for the last four fiscal years (2003/4 / 2006/07) was 11.8 percent, reflecting sustainable growth after a recovery from severe droughts in 2002/03. From 1997/98-2006/07, the country achieved an annual average economic growth rate of about 6.4 percent.
- Ethiopia experiences a significant trade deficit. For 2006/07, exports totaled a historical high of \$1.2 billion, while imports totaled \$5.2 billion. Ethiopia's primary exports are coffee, khat, hides and skins, sesame seeds, pulses, live animals, honey and beeswax, spices, natural gum, flowers, fruits and vegetables. Coffee is by far the leading export commodity, constituting 35 percent of exports by value in 2006/07 followed by oil seeds (16 percent). The country's main imports include motor vehicles, petroleum products, civil and military aircraft, spare parts, construction equipment, medical and pharmaceutical products, agricultural and industrial chemicals, agricultural machinery, fertilizers, irrigation equipment, and food grains.
- The top five exporting countries during 2006/07 (in order) to Ethiopia are: China (16.6%), Saudi Arabia (15.3%), Italy (7.7%), India (7.0%) and Japan (6.2%). The top five importing countries (in order) from Ethiopia are: Germany (11.8%), Italy (6.3%), and Japan (6.1%), United States (5.1%) and. China (5%)
- U.S. exports to Ethiopia totaled approximately \$188 million in 2006/07. Ethiopian exports to the U.S. were estimated at \$60 million during the same year. U.S exports to Ethiopia constituted 3.8 percent of Ethiopia's total imports during 2006/07. The import of new and used heavy construction machineries have taken significant share in the total US exports to Ethiopia in addition to aircraft and related parts.

Market Challenges

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- The government is engaged in a program of economic reform and liberalization; however, the state remains heavily involved in most economic sectors. Some sectors, particularly in services and trade, are difficult for foreign investors to enter. The government retains control over the utilities sector and prohibits foreign ownership of banking and insurance companies.
- Constitutionally, land is owned by the state and cannot be purchased or sold, but can be leased on a long term basis. Government procedures and paperwork are usually complicated and time-consuming, although improvements have been seen in business registration.
- The government requires that all imports be channeled through Ethiopian nationals registered as official import or distribution agents with the Ministry of Trade and Industry.
- Several government procedures remain complicated and time-consuming. The customs clearance process is slow-moving and remains a hindrance to the business of importing. The clearance process is slow and imported goods are sometimes charged at attributed values instead of invoice values.
- According to the Addis Ababa Chamber of Commerce Arbitration Center, while improving, contractual enforcement remains weak. As a result, many local companies prefer to do business with relatives or close associates.
- Lack of access to finance is a great hindrance to both foreign and local businesses.
- Money wiring and transfer service charges are prohibitively expensive and time consuming.
- Limited foreign exchange currency presents inherent challenges to import financing.
- A largely illiterate and semi-skilled workforce has clear cost disadvantages.
- Ethiopia's judicial system remains poorly staffed and inexperienced, particularly with respect to commercially related disputes.
- Slow internet connections and costly international telecommunications rates drive high/uncompetitive operational costs.
- Consumables (food items) have risen in cost by 71 percent over the last 3 years, while general inflation has risen over 59.7 percent.
- Continued threat of war with Eritrea, and tensions in neighboring Somalia and Sudan are cause for ongoing concern.
- The lack of a bilateral agreement between the United States and Ethiopia on investment guarantee and businesses nationalization may adversely affect foreign business engagement.
- Numerous pending compensation claims for property expropriated during the Derg regime have not been resolved over the period of the current government's 17 year reign.

Market Opportunities

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- Ethiopia is endowed with abundant agricultural resources and has a vast diversity in ecological zones. There are considerable opportunities for expanding the cultivation and export of cut flowers, dried fruits, and processed vegetable products. With over seven million bee colonies, Ethiopia is already the leading

- producer and exporter of honey and beeswax in sub-Saharan Africa. In addition, Ethiopia is interested in exploiting its forestry and fishing resources.
- Leading non-agricultural sectors for U.S. trade and investment include civil aviation, construction, telecommunications, hydro-electric power, and tourism.
 - Other leading export products include trucks, vehicles and spare parts, medical equipment, and pharmaceuticals.

Market Entry Strategy

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- Up to 40 percent of Ethiopian imports are conducted through government tenders. The tender announcements are made public to all interested potential bidders, regardless of nationality of supplier or origin of the products/services. Government procurement is by competitive bidding.
- U.S. firms are strongly advised to appoint local agents to represent their products and services in Ethiopia
- The U.S. Embassy provides assistance by identifying suitable and reliable local agents/dealers.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the following link to the U.S. Department of State Background Notes:
<http://www.state.gov/r/pa/ei/bgn/2859.htm>.

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Chapter 3: Selling U.S. Products and Services

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Using an Agent or Distributor

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It is not difficult to find experienced and reputable agents and distributors in Ethiopia. To conduct business effectively and participate in local tenders, it is advisable for U.S. firms to appoint local agents to represent their products in Ethiopia. The Embassy maintains a list of experienced local representatives interested and able to assist U.S. companies in bids on major projects. Limitations on foreign exchange and import and export services make direct marketing difficult.

Establishing an Office

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- All importers and exporters must be registered with the Ministry of Trade and Industry and obtain a business license. Foreign investors are required to seek project approval and receive incentives from the Ethiopian Investment Agency (EIA).
- A U.S. firm wishing to establish a branch office in Ethiopia must submit the following documents for registration:
 - A notarized copy of registration of parent company in the country of origin.
 - Copy of the memorandum and article of Association.
 - An authenticated decision of the parent company's board of directors or a similar authorized body for the establishment of a branch in Ethiopia. The decision should indicate the types of activities of the branch, the individuals appointed by the parent company to act on its behalf, and the capital allocated for its operation.
 - An authenticated power of attorney issued by an authorized organ of a company for the permanent representative in Ethiopia.
 - Financial reference from the company's bank.
 - A notice published in a newspaper announcing the establishment of a branch company in Ethiopia.

Franchising

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Difficulties in product quality control, banking regulations, and continuing foreign exchange convertibility issues make franchising difficult. Currently, there are no U.S. franchises operating in Ethiopia.

Direct Marketing

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Direct marketing of U.S. products in Ethiopia today is limited to major-purchase items. This includes major tender (bid) items and/or single sale items. For these items, the U.S. Embassy prepares trade leads on both public government tenders and private trade leads, which are then distributed through the U.S. Department of Commerce website (www.export.gov).

Joint Ventures/Licensing

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Foreign investment inflows through joint ventures are promoted and encouraged in Ethiopia. The following are the major criteria for the approval of joint venture proposals:

- Transfer, absorption, know-how, and adaptation of needed technology into the country.
- Improvement of the country's foreign exchange position.
- Utilization and development of the country's resources, including the generation of local employment.
- Development of forward and backward linkages, and increased added value in various economic sectors.

Selling to the Government

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Government purchases account for about 40 percent of total imports, with funds coming from project loans by international financial institutions such as the World Bank and the African Development Bank or from other international donors. Government procurement is by competitive bidding and there are no special document requirements. Bureaucratic procedures and delays in the decision-making process sometimes impede participation in tenders. It is advisable to work with local agents or representatives in order to effectively participate in local tenders. In general, it is not difficult to find experienced and reputable agents and distributors in Ethiopia.

Distribution and Sales Channels

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Ethiopia requires that all imports be channeled through Ethiopian nationals registered with the government as official import or distribution agents. The importer or agent is required to apply for an import license, and register with the Ministry of Trade and Industry as well as the National Bank of Ethiopia (for a foreign exchange permit).

Much distribution in Ethiopia, particularly to regional towns, is done through informal business arrangements. For example, many goods after being cleared through customs will be sold to wholesalers in Addis Ababa's largest market (Merkato) who then distribute it to retailers and small vendors.

Selling Factors/Techniques

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Methods used by successful competitors in the Ethiopian market place include active contact with key officials responsible for various major programs and projects; personal visits by representatives for initial market surveys; and contact with local representatives knowledgeable about future plans and market potentials. Sales materials in the official local language, Amharic, in addition to English is an effective way to reach a broader customer base.

Electronic Commerce

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Electronic Commerce is a recent phenomenon and is at its infant stage in Ethiopia. It is rarely used. According to a publication by United Nations Economic Commission for Africa, the following are Ethiopia's largest e-commerce sites.

Ethio Gift

www.ethiogift.com

Ethiopian Airlines

www.ethiopianairlines.com

Genuine Leather Craft

www.genuineleathercraft.com

Marketing, Trade Promotion, Commercial and Advertising

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Advertising and trade promotions are important in the Ethiopian market. Government-owned mass media outlets (radio, television, and newspapers), and privately-owned magazines and newspapers are the major means of advertising.

The Addis Ababa Chamber of Commerce and Sectoral Associations organize the largest trade fair in Ethiopia, which attracts many foreign and local exhibitors.

[Please refer to the following list for more information.](#)

Addis Ababa Chamber of Commerce

P.O. Box 2458

Addis Ababa, Ethiopia

Tel: +251-11-550-4647

Fax: +251-11-550-4649

Email: planning@addischamber.com

www.addischamber.com/tradefair/tradefair.asp

Afro link Studio

P.O. Box 1126 code 1110

Addis Ababa, Ethiopia

Tel: +251-11-661-1085

Email: info@afrolinkstudio.com

www.afrolinkstudio.com

B.T. Digital Advert
Addis Ababa, Ethiopia
Tel: +251-11-663-1717
Fax: +251-11-662-6545
Email: btta@ethionet.et
www.btadvert.com

Cactus Advertising
P.O. Box 5790
Addis Ababa, Ethiopia
Tel: +251-11-662-3888
Fax: +251-11-661-5100
Email: cactusplc@ethionet.et

Lion Advertising
P.O. Box 5372
Addis Ababa, Ethiopia
Tel: +251-11-552-7835 / 552-7836
Fax: +251-11-551-2499
Email: lionadpr@ethionet.et

Although these lists are not comprehensive, and inclusion does not constitute an endorsement or recommendation by the Commercial Section, they are a useful starting point for firms that need professional services in Ethiopia.

Major Local Newspapers

Addis Business
P.O. Box 2458
Addis Ababa, Ethiopia
Tel: +251-11-551-8882 / +251-11-551-8055
Fax: +251-11-551-1479
Email: aachamber1@telecom.net.et
www.addischamber.com

Addis Zemen (Amharic newspaper)
P.O. Box 30145
Addis Ababa, Ethiopia
Tel: +251-11-662-5444
Fax: +251-11-156-9862
Email: et.press@ethionet.et
www.ethiopress.gov.et

Capital
P.O. Box 95 Code 1110
Addis Ababa, Ethiopia
Tel: +251-11-618-3253 / +251-11-651-3375
Fax: +251-11-618-5206
Email: syscom@ethionet.et
www.capitalethiopia.com

Fortune

P.O. Box 259 Code 1110

Addis Ababa, Ethiopia

Tel: +251-11-662-7150

Fax: +251-11-662-3727

Email: tamrat@addisfortune.com

www.addisfortune.com

Nigdna Limat (Amharic)

Addis Ababa Chamber of Commerce

P.O. Box 2458

Addis Ababa, Ethiopia

Tel: +251-11-551-8055 / 551-3814

Fax: +251-11-551-1479

Email: aachamber1@telecom.net.et

www.addischamber.com

Press Digest

P.O. Box 12719

Addis Ababa, Ethiopia

Tel: +251-11-111-2154 / 551-1301

Fax: +251-11-551-3523

Email: Phoenix.Universal@telecom.net.et

www.pressdigest.phoenixuniversal.com

Sub Saharan Informer

P.O. Box 22178 Code 1000

Addis Ababa, Ethiopia

Tel: +251-11-515-1800

Fax: +251-11-552-6722

E-mail: info@subsaharaninformer.com

www.ssinformer.com

The Ethiopian Herald

P.O. Box 30701

Addis Ababa, Ethiopia

Tel: +251-11-662-5457

Fax: +251-11-156-9862

Email: et.press@ethionet.et

Website: www.ethpress.gov.et

The Daily Monitor

P.O. Box 4502

Addis Ababa, Ethiopia

Tel: +251-11-156-0518

Fax: +251-11-156-0515

E-mail: themonitor@ethionet.et

The Reporter

P.O Box 7023

4/2/2008

Addis Ababa, Ethiopia
Tel: +251-11-661-6188/661-6179
Fax: +251-11-466-1517
Email: mcc@ethionet.et
www.ethiopianreporter.com

Government Media

Ethiopian News Agency
P.O. Box 530
Tel: +251-11-155-0011
Fax: +251-11-155-1609
E-mail: ena@ethionet.et or enas@ethionet.et
www.ena.gov.et

Ethiopian Radio and Television Agency
P.O. Box 1020/5544
Tel: +251-11-550-5483 / 553-6566
Fax: +251-11-550-5174
E-mail: etv2@ethionet.et
www.erta.gov.et

Radio Fana
Addis Ababa, Ethiopia
Tel: +251-11-551-6777
Fax: +251-11-551-5039
E-mail: rfana@radiofana.com
www.radiofana.com

Walta Information Centre
P.O. Box 12918
Addis Ababa, Ethiopia
Tel: +251-11-467-0303
Fax: +251-11-467-0302
E-mail: wic@ethionet.et
www.waltainfo.com

Pricing

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All retail prices except petroleum and fertilizers have been decontrolled. The general pricing structure for imports is on the basis of a customs duty (HST code is applicable), 15 percent VAT, 2 percent withholding tax, 10 percent surtax and excise tax (depending on the type of product).

All transactions in Ethiopia are conducted in the local currency, the "Birr." As of February 7, 2008, Birr 9.25 equals \$1.00. The Birr is pegged to the U.S. Dollar and the exchange rate is determined by the daily inter-bank foreign exchange market in which the central bank intervenes aggressively. Prices are relatively low for locally produced products, while import prices reflect the high cost of transportation.

Sales Service/Customer Support

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Sales service is obtainable for products in most sectors. Neither consumer advocacy or protection associations currently operate in Ethiopia. Customer service and support is reported to be very weak in different sectors of the economy.

Protecting Your Intellectual Property

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Regulations for the protection of patents and copyrights are limited, though some progress has been made:

- In April 2003, the government established the Ethiopian Intellectual Property Office under the Science and Technology Commission to administer trademark, copyrights and intellectual property issues.
- In June 2004, the government passed the Copyright and Neighboring Rights Protection Proclamation No. 410/2004. The proclamation protects the rights of copyright owners and associated beneficiaries (neighborhood rights) for such works as literary, music, performance, broadcast, photography, software, database and other published works. The law imposes both financial penalty and imprisonment terms on those who infringe on these rights.
- In July 2006, the government passed Proclamation 501/2006 which provides for the acquisition of rights and procedures for registration of trademarks, collective trademarks and well known marks, duration and renewal of rights, rights conferred by registration and license contracts and other miscellaneous provisions.
- USPTO has been active in providing technical assistances to the EIPO, Ministry of Justice, and Ethiopian Customs Authority in the areas of copyright, trademarks and patent. Accordingly, experts from these institutions have attended regional trainings in South Africa and in the United States in the aforementioned areas.

In general, lengthy evaluation and verification procedures are involved especially in processing patents. Some protection can be secured for trademarks through the Ethiopian Intellectual Property Office (EIPO) and the publication of cautionary notices issued in local newspapers (Ethiopian Herald and Addis Zemen). EIPO plans to publish cautionary notices in its own gazette in the near future.

Due Diligence

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Due diligence and project analysis are highly recommended for almost every sector. The U.S. Embassy performs due diligence on behalf of U.S. firms. It performs the following fee-based services.

- International Company Profile
- Gold Key Service
- International Market Insight
- International Partners Search

If U.S. firms require extensive and detailed market research and project analysis, the U.S. Embassy can recommend local firms.

Local Professional Services

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The following list includes companies that render general professional services.

Banking and Finance

Awash International Bank
www.awash-bank.com

Bank of Abyssinia
www.bankofabyssinia.com

Commercial Bank of Ethiopia
www.combanketh.com

Construction and Business Bank
www.cbb.com.et

Dashen Bank
www.dashenbank.com

Nib International Bank
www.nibbank.com

United Bank
www.addischamber.com/united_bank.html

Wegagen Bank
www.wegagenbank.com

Lion International Bank

<http://www.anbesabank.com>

Hotels and Meeting Facilities

The Ghion Hotel
www.ghionhotel.com.et

Hilton Addis Ababa
www.hilton.com

Sheraton Addis Ababa
www.luxurycollection.com/addis

Tour Operators

Abyssinian Tours
www.abyssiniantours.com

Ethiopia Travel
www.ethiopiatravel.com

Ethiopian Rift Valley Safaris
www.ethiopianriftvalleysafaris.com/

Experience Ethiopia Travel
www.telecom.net.et/~eet

Ethio-Jobs
www.ethiojobs.net

Others

Association of Ethiopian Microfinance Institution
www.aemfiethiopia.org

Ethiopian Business Development Services Network
www.bds-ethiopia.net/services.html

Ethiopian Economic Association
www.eeaecon.org

Ethiopian Export
www.bigethiopianexpo.com

Ethiopian Export Promotion Agency
www.ethioexport.org

Tana Consulting
www.tanaconsulting.com

Construction Contractors Association of Ethiopia
www.ethiopianconstruction.org

Ethiopian Information Technology Professionals Association
www.eitpa.org

Ethiopian Horticulture Producer Exporters Association
www.ehpea.org.et

Ethiopian Leather Industries Association
www.elia.org.et

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Web Resources

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www.abbyssiniantours.com
www.addischamber.com
www.addischamber.com/united_bank.html
www.addistribune.com
www.aemfiethiopia.org
www.awash-bank.com
www.bankofabyssinia.com
www.bds-ethiopia.net
www.bigethiopianexpo.com
www.btadvert.com
www.capitalethiopia.com
www.cbb.com.et
www.combanketh.com
www.dagethiopia.org
www.dashenbank.com
www.devinet.org
www.eatic.org
www.eeaecon.org
www.ethioexport.org
www.ethiogift.com
www.ethiojobs.net
www.ethiomarket.com
www.ethiomerakato.com
www.ethiopianreporter.com
www.ethiopianriftvalleysafaris.com/
www.genuineleathercraft.com
www.hilton.com
www.investethiopia.org
www.pressdigest.phoenixuniversal.com
www.luxurycollection.com/addis
www.sheraton.com
www.ssinformer.com
www.telecom.net.et/~epa
www.telecom.net.et/~eet
www.uneca.org/codi/Documents/PDF/doc30en.pdf

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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- [Road Construction](#)
- [Telecommunications](#)
- [Hydro-Electric Power](#)
- [Tourism](#)
- [Airport Equipment](#)
- [Others](#)

Aviation Overview

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Ethiopian Airlines (EAL) continues to expand its routes throughout Africa, Europe, Asia, and the United States and was named Best African Airline 2006 by the Africa Aviation Journal. It has expressed a desire to further expand its fleet within the next several years. Well-managed and considered one of Africa's premier airlines, EAL has been an important regional client for U.S. aviation companies with an all-Boeing international fleet with primarily Pratt and Whitney engines. In 2005 EAL signed a deal with Boeing Corporation to buy 10 Boeing 787 Dreamliner jets to be delivered over 3 years, starting in 2008 or 2009, depending upon Boeing's production schedule. Ethiopian Airlines also concluded a deal with General Electric Company for the purchase of 20 GENx engines by (GE) to power its Boeing 787 Dreamliners. Pratt and Whitney were also approved by EAL as its sales maintenance service provider for African airlines. In February 2008, Ethiopian Airlines (EAL) purchased and installed a Boeing-737 Next Generation (NG) flight simulator, making it the first airliner in Sub-Saharan Africa to be delivered by Flight Safety International (FSI).

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Ethiopian Airlines
www.ethiopianairlines.com

Road Construction Overview

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The World Bank and donor agencies are participating heavily in Ethiopia's Road Sector Development Program (RSDP). The World Bank approved a loan for \$309 million in 1998 for phase one of the ten-year (1997 – 2007) to assist the Government of Ethiopia to restore and expand the country's road network. In June 2003, the Bank approved an IDA Grant of \$126.8 million for phase two of the project. Although U.S. firms are bidding on and winning tenders to conduct road design and supervise construction, the country will also need vehicles (bulldozers, cranes, trucks, and forklifts), vehicle attachments, and both mechanized and non-mechanized equipment to level and pour the materials, and construction materials. Most projects open for international competitive bidding are funded by either the Ethiopian government or major international financial institutions in which the United States participates, such as the International Development Association (IDA) of the World Bank and the African Development Fund (AFDF) of the African Development Bank (AFDB).

Ethiopia recently launched the Third Road Sector Development Program (RSDP III) from 2007/08 to 2011/2012, with a total estimated cost of \$3.8 billion. 79.1 percent of the financing requirement is already secured, 7.9 percent is expected to be committed during the program period. The remaining 13 percent will likely be secured through donor contributions.

In FY 2008-2009, a projected 3,911km of roads will be upgraded, with an additional 2,083 km and 5,730 km of federal and rural roads in the planning process. A projected total of 27,458 km of community roads will hopefully be constructed during this time frame.

Best Prospects/Services

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U.S. firms may export construction machinery and chemicals as well as building materials to Ethiopia. U.S. firms involved in the road construction sector may offer consultancy and supervision services.

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The following project descriptions are potential opportunities for U.S. firms.

Table 4.1 Road Sector Development Phase 2

Project at a Glance	
<u>Approval Date</u>	17-JUN-2003
<u>Closing Date</u>	30-JUN-2009
<u>Total Project Cost **</u>	\$137.39 million
<u>Region</u>	Africa
<u>Major Sector (Sector) (percent)</u>	Transportation (Roads and highways) (90 percent)
	Central government Administration, administration) (10percent)
<u>Bank Team Lead</u>	
<u>Borrower</u>	GOVERNMENT OF ETHIOPIA
<u>Implementing Agency</u>	ETHIOPIAN ROAD AUTHORITY

Table 4.2 Road Sector Development Support Program

Project at a Glance	
<u>Approval Date</u>	22-SEP-2004
<u>Closing Date</u>	30-JUN-2012
<u>Total Project Cost **</u>	\$250.00 million
<u>Region</u>	Africa
<u>Major Sector (Sector) (percent)</u>	Transportation (Roads and highways) (90 percent)
	(Central government administration (9 percent) , Sub-national government
	Administration (1 percent)
<u>Bank Team Lead</u>	Lewi Negede
<u>Borrower</u>	GOVERNMENT OF ETHIOPIA
<u>Implementing Agency</u>	ETHIOPIAN ROAD AUTHORITY

Table 4.3 Road Sector Development Program

Project at a Glance	
<u>Approval Date</u>	31-MAY-2007
<u>Closing Date</u>	30-JUN-2015
<u>Total Project Cost **</u>	\$225.37 million
<u>Region</u>	Africa
<u>Major Sector (Sector) (percent)</u>	Transportation (Roads and highways) (96 percent)
	(Central government administration (4 percent)
<u>Bank Team Lead</u>	
<u>Borrower</u>	GOVERNMENT OF ETHIOPIA
<u>Implementing Agency</u>	ETHIOPIAN ROAD AUTHORITY

Resources

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African Development Bank
www.afdb.org

Nordic Investment Bank
www.nibank.org

World Bank
www.worldbank.org

Ethiopian Roads Authority
www.era.gov.et/

Telecommunications Overview

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Ethiopia's telecommunication sector is a state monopoly with the Ethiopian Telecommunications Corporation (ETC) the sole provider of infrastructure and telecommunications and internet services. Ethiopia continues to invest in expanding and upgrading its telecommunications network. Ethiopia currently has the lowest telephone line density, albeit improving, in Africa, with less than 2.1 percent coverage among potential fixed line customers. As of December 2007 there are 920,063 fixed lines, 1.8 million mobile phone users and close to 29, 000 internet service subscribers in the country. ETC has plans to aggressively expand telecommunications services through 2009/10 with \$1.5 billion in vendor financing obtained from China companies. This

expansion is focused on providing fixed wireless service in all of Ethiopia's 10,000 rural villages with dedicated lines for agriculture, education, health and consumer use. In addition, ETC has plans to expand ICT infrastructure across the country to support voice, data, and video services. To implement these plans, ETC will acquire digital overlay switches, transmission systems (mainly fiber optic backbone), digital microwave, satellite and wireless technology. Other projects contained within ETC's development program include DRMAS stations, VSAT stations, coin- and card-operated telephones, expanded internet and mobile telephones. For all these projects, ETC will make substantial investments over the coming years. The Government of Ethiopia has no plans in the immediate future to introduce competition into the areas of service provision or allow independent infrastructure construction.

Best Products/Services

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- The directive on value added services, including ISP, issued by the Government of Ethiopia has allowed foreign companies to participate in collaboration with local partners.
- Wireless internet service in partnership with the Ethiopian private sector.
- Fixed networks, switching and optical networks are other areas where U.S. firms could supply equipment and/or services.

Opportunities

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ETC will embark upon the following identified project areas in the coming few years. However, exceptionally favorable vendor financing from Chinese companies limits U.S. opportunities in many of these projects.

- Mobile network expansion by more than 7 million users
- About 10,000 km optical fiber route construction
- Expansion of fixed wire line by about 4 million
- Rural connectivity for 10,000 villages
- Optical access in major towns of the country
- CDMA WLL projects for major towns
- Telecommunications network planning and design
- Contract supervision
- Capacity building in the area of project management

Resources

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Ethiopian Telecommunications Corporation
www.ethionet.et

Hydro-Electric Power

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Over the next several years, Ethiopia plans to increase its capacity to generate hydroelectric power, from 800 to 1250 megawatts. Ethiopia has an untapped natural potential to generate over 30,000 megawatts of hydroelectric power, making it a potential energy exporter for the energy-starved region. There is a plan to increase the percentage of people in electrified areas from 15 percent to 50 percent and to connect all towns and villages to the national grid in 10 years. To accomplish this, there is plan

to spend \$1.3 billion over the next 5 years with further allocations in later years. The Ethiopian Electric Power Corporation (EEPCO) is interested in U.S. technology in this field and regularly publishes tenders for expanding and renovating the civil and hydromechanics works for current generating stations and for the planning, design and construction of additional projects.

The World Bank recently approved 130 million USD loan in order to help expand electricity access to Ethiopia's rural population. The funding, part of the International Development Association Credit, is aimed at providing electricity access for 295 towns, villages, schools and clinics, benefiting a total population of approximately 1.8 million.

EEPCO signed a \$150 million electric power generation project with the Chinese company CGGC in December 2006. This project will be largely financed by Chinese government (85 percent) with the Ethiopian government responsible for the remaining balance of the project costs. It is noted that currently power generating projects worth \$3.5 billion are under progress.

Best Products/Services

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The following products and equipment provide the best prospects for U.S. exporters: drilling rigs and associated equipment, electric and electrical cables, transformers, and electric meters.

Opportunities

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Table 4.4 Energy Access SIL

<u>Approval Date</u>	22-JUN-2006
<u>Closing Date</u>	31-DEC-2009
<u>Total Project Cost **</u>	140.64
<u>Region</u>	Africa
<u>Major Sector (Sector) (percent)</u>	Power (98 percent), Other Social Services (1 percent) General Transportation Sector (1%)
<u>Theme</u>	Infrastructure services for private sector development , rural services and development infrastructure
<u>Objective</u>	To establish a sustainable program for expanding access to electricity in rural communities and help alleviate poverty
<u>Bank Team Lead</u>	
<u>Borrower</u>	GOVERNMENT OF ETHIOPIA
<u>Implementing Agency</u>	MINISTRY OF IENERGY MINING

Table 4.5 Energy Access SIL

Project-At-A-Glance	
<u>Approval Date</u>	11-MAY-2004
<u>Closing Date</u>	31-MAR-2010
<u>Total Project Cost **</u>	120
<u>Region</u>	Africa
<u>Major Sector (Sector) (percent)</u>	Water, sanitation and flood protection (Water supply) (75 percent)
	Water, sanitation and flood protection (Sanitation) (13 percent)
	Public Administration, Law, and Justice (Sub-national government administration) (6 percent)
	Public Administration, Law, and Justice (Central government administration) (4 percent)
	Health and other social services (Other social services) (2 percent)
<u>Old Major Sector</u>	Water Supply & Sanitation
<u>Old Sector</u>	Water Supply & Sanitation Adjustment
<u>Environmental Category</u>	B
<u>Bank Team Lead</u>	Roche, Robert J.
<u>Borrower</u>	GOVERNMENT OF ETHIOPIA
<u>Implementing Agency</u>	MINISTRY OF WATER RESOURCES
	Source :- The World Bank

Table 4.6 Energy Access SIL

<u>Approval Date</u>	19-SEP-2002
<u>Closing Date</u>	31-DEC-2009
<u>Total Project Cost **</u>	199.12
<u>Region</u>	Africa
<u>Major Sector (Sector) (percent)</u>	Energy and mining (Power) (80 percent)

	Public Administration, Law, and Justice (General public administration sector) (8 percent)
	Agriculture, fishing, and forestry (Forestry) (5 percent)
	Energy and mining (Renewable energy) (5 percent)
	Industry and trade (Other industry) (2 percent)
<u>Old Major Sector</u>	Electric Power & Other Energy
<u>Old Sector</u>	Electric Power & Other Energy Adjustment
<u>Environmental Category</u>	B
<u>Bank Team Lead</u>	Benoit, Philippe Charles
<u>Borrower</u>	GOVERNMENT OF ETHIOPIA
<u>Implementing Agency</u>	MINISTRY OF INFRASTRUCTURE
	Source :- The World Bank

Resources

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Ethiopian Electric and Power Corporation

<http://www.eepco.gov.et/>

The World Bank

www.worldbank.org

Tourism Overview

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Ethiopia's tourism potential is largely untapped and should be of enormous interest to foreign and local visitors on historic, cultural, or eco-tourism expeditions. Ethiopia has a diversity of wildlife (with many unique indigenous plant, bird, and mammal species), exotic landscapes, prehistoric sites, and architectural ruins of historical and religious significance. Many tourist sites are completely undeveloped and the infrastructure (hotels, restaurants, tour facilities) is underdeveloped as well. With a high volume of transit passengers transferring through Bole International Airport to global and regional destinations, there is a need for increased international standard accommodation near the airport for transit passengers. Construction of a Four-Star hotel at Bole International Airport has been recently announced, with plans for ground breaking in the near future. In addition, as the seat of the African Union and UN Economic Commission for Africa, Addis Ababa serves as a frequent venue for international conferences and events.

Best Products/Services

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- Lodging facilities
- Camping gear

Resources

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Airport Equipment Overview

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A passenger terminal with modern facilities became operational in 2003 and the construction of a new cargo terminal was finalized in May 2006. This new cargo terminal was constructed at a total cost of \$15.3 million. This new and modern terminal has a capacity to handle 104,000 tons of cargo per annum. These terminals need equipment, machinery, and structures related to indoor and outdoor facilities including baggage handling, shopping, cargo storage, transfers, food preparation, and parking. Renovation and construction of several domestic terminals proceeds apace. Navigation and communication devices, fire-fighting and safety equipment, and security equipment will be needed for smooth operation of the airports such as Bahr Dar, Mekelle and Gonder which will be upgraded in the near future. There is a need for additional cold-storage facilities at Bole Airport to accommodate increased exports of cut flowers and other agricultural goods.

Overview

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Other leading sectors for trade and investment include construction machinery, and chemicals, as well as trucks, and spare parts (TRK) and medical equipment and pharmaceuticals (MED/DRG). Data is not available to estimate the market size of the products and services in the above sectors. The potential size of some of the projects financed by the major international and regional financial institutions is indicated in chapter 8.

Agricultural Sector

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Ethiopia is endowed with abundant agricultural resources and has diverse ecological zones. Agriculture is the mainstay of the economy. Ethiopia imports all of its fertilizers, about 400,000 MT a year, at a cost of close to \$180 million. Given the primary focus of the economy on agriculture and the diversity of crops and products, large-scale agro-processing offers numerous opportunities. With increased commercialization of this sector, there are growing demands for agricultural raw materials by manufacturing industries and the provision of all-around support services such as the maintenance of tractors, harvesters, and other equipment such as grain silos, cold storage and transport.

Ethiopia's cash crop production has potential for growth, especially in coffee, cut-flowers, tea, sugar, spices, and tobacco. Cotton is well-integrated in the economy with a large number of textile and garment factories relying on domestic production. Ethiopia already produces beeswax, oilseeds, fruits and vegetables for export, but growth potential exists.

The government is advising the use of water-harvesting methodologies in rural areas as a means of reducing farmers' vulnerability to the recurring droughts that affect millions of families. A keen demand is anticipated for the supply of machinery and equipment as well as technical services in several areas, including hand farming implements and hand-powered tools and farming equipment, small-scale rural infrastructure equipment, water supply and sewage system machinery, such as irrigation pumps and well or bore-

hole digging equipment. Conservation and environmental protection is growing, especially for low-cost, low-tech solutions.

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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- The current Customs Tariff of Ethiopia is based on the 2002 Version of the Harmonized Commodity Description and Coding System (HS), which was issued as per the International Convention on Harmonized Commodity Description and Coding System Ratification Proclamation No. 67/1993 (ICHCDCSR N. 67/1993) and it deals with the scope of import duties.
- The highest tariff rate was reduced from 230 percent to 35 percent, and the number of official tariff rates (tariff bands) was reduced from 23 to 6. Ethiopia has also reduced customs duties on a wide range of imports.
- Import duties are levied on all imported goods (including government imports) unless specifically exempted, i.e. all investment goods and goods indicated in the Second Schedule of the 1996 Version of the Customs Tariff of Ethiopia and other related directives as conditional exemption at nil or reduced rates.
- Currently, all exports are duty free with the exception of raw and semi-finished hides, skins, and leather (see section). Both VAT and Excise Taxes have been imposed on imports and the rates applicable in imported goods, by their tariff item number, have been attached to the 1996 Version of the Customs Tariff of Ethiopia and can be purchased from the Ethiopian Customs Authority Headquarter.
- The government is undertaking a customs tariff reform which will focus on rationalizing the recent investment developments, particularly, providing lower rates for raw materials and intermediate goods and relatively higher rates for finished products. The reform is the seventh round of a series of customs tariff amendments and measures the government has been putting in place since 1993. The reform will be preceded by a study of Effective Rate of Protection
- The Tariff structure, per se, does not constitute a meaningful trade barrier to access the Ethiopian market.

Trade Barriers

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- There are no special barriers to U.S. trade and investment, though a limited number of sectors remain closed to foreign investment and U.S. companies have complained about the frequent cancellation of government tenders.

- Constraints to increased trade and investment are poor infrastructure facilities such as roads, communications, problems related to acquisition of land; the strict foreign exchange control regime administered by the Central Bank, bureaucracy, and high transactions costs.
- Value Added Tax (VAT) replaced the former sales tax system as of January 2003. The VAT rate is 15 percent for all goods and services. VAT is only payable by companies with annual turnover of more than \$54,000.00 USD. There are ten excise tax brackets, applied equally to domestically produced and imported goods, ranging from 10 percent for textiles and electronic products to as high as 200 percent for alcoholic beverages.

Import Requirements and Documentation

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- Most imports to Ethiopia require: (1) three certified copies of the commercial invoice, (2) two detailed copies of the manufacturers invoice, (3) a bill of lading or airway bill, (4) pro-forma invoices, (4) trade license for commercial imports, 5) insurance certificate, and 6) bank permit.
- Documents that should accompany exports include: (1) export declaration, (2) sales contract, (3) invoice, and (4) insurance certificate or policy. Medicines and medical supplies must be registered with the Drug Administration and Control Authority of Ethiopia. Any plant or plant product, including seeds, agricultural inputs such as chemicals, pesticides and fertilizers cannot be imported to Ethiopia unless registered and duly authorized for import by the Minister of Agriculture.
- All exports require an export permit that enables the goods to pass through customs. When applying for a permit an exporter must specify the goods to be exported, their destination and value. The licensing system is used to ensure that all foreign exchange receipts come into the country.

U.S. Export Controls

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- U.S. companies exporting to Ethiopia must adhere to the requirements of the U.S. Department of Commerce's Bureau of Industry and Security and Department of Treasury's Office of Foreign Asset Control.
- The Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of most commercial items. Items that BIS regulates are often referred to as "dual-use" – items that have both commercial and military or proliferation applications – but purely commercial items without an obvious military use are also subject to the EAR. The EAR does not control all goods, services, and technologies.
- BIS's activities include: regulating the export of sensitive goods and technologies in an effective and efficient manner; enforcing export control, anti-boycott, and public safety laws; cooperating with and assisting other countries on export control and strategic trade issues; assisting U.S. industry to comply with international arms control agreements.
- A primary mission of BIS is the accurate, consistent and timely evaluation and processing of licenses for proposed exports and re-exports of goods and technology from the United States.

- Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and defense services. Other agencies involved in export controls include the Department of Treasury's Office of Foreign Asset Control, which administers controls against certain countries that are the object of sanctions affecting not only exports and re-exports, but also imports and financial dealings. A list of other agencies involved in export controls can be found on this Web site or in Supplement No. 3 to Part 730 of the EAR which is available on the Government Printing Office website.

Temporary Entry

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Bonded warehouse storage facilities are available for periods of up to ninety days.

Labeling and Marking Requirements

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Shipping marks and labeling are required on all imported goods and should be identical on all documents.

Prohibited and Restricted Imports

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- The Ministry of Trade and Industry has the power to restrict and/or limit imports and exports.
- There are restrictions on the importation of products that compete with locally produced goods, particularly in agricultural sectors. Automobile or motor vehicle imports require approval from the Ministry of Transport and Communications. The import of arms and ammunitions, except by the Ministry of Defense, is totally prohibited.
- Further, goods of a commercial nature and quantity that are not imported through bank payment mechanisms are not allowed to enter and may be subject to confiscation.
- To abate the excess demand for cement in-country, the Ministry of Trade and Industry issued permits to some companies to import cement on –values (without allocating foreign exchange) bases in late 2006.

Customs Regulations and Contact Information

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- Since 2004, the Ethiopian Customs Authority has embarked on a wide range of customs reform program. As a result of this, customs clearance time, which used to take 43 days on the average, has been reduced to 14-21 days.
- The pre-shipment inspection has been abandoned as of June 2004 and valuation of goods is fully being carried out by the authority.
- To ensure transparent and accessible customs valuation, the Authority has made the valuation methods and procedures available for the public on its website.

Contact information for the Ethiopian Customs Authority follows:

Ethiopian Customs Authority (ECuA)
P.O. Box: 3248
Addis Ababa, Ethiopia

Tel: +251-11-551-1639 / 51-3100 (ext 201)
Fax: +251-11-551-8355
Email: customs@ethionet.et
www.mor.gov.et/ecaweb/index.php

Standards

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Overview

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- The Quality and Standards Authority of Ethiopia (QSAE) is the National Standards Body of Ethiopia established in 1970 and became fully operational in 1972. This office fully regulates the quality of all exports and imports.
- QSAE is the only national standards body in Ethiopia. Standards are consistent with international norms and do not act as a barrier to U.S. products.
- QSAE is a member of the International Organization for Standardization (ISO), International Organization of Legal Metrology (OIML), and Codex Alimentarius Commission (CAC). It is also a founding member of the African Regional Organization for Standardization (ARSO), and has close relations with the International Electro-technical Commission (IEC).
- The Quality and Standards Authority of Ethiopia (QSAE) received an international accreditation certificate from the German Accreditation Service (DKD) in August 2007.

Standards Organizations

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One of the central objectives of QSAE is to coordinate the national standards development effort in all economic fields, which is carried by the Standards Development Group organized under the Quality Promotion and Standards Directorate. In order to guide the national standards development endeavor in a consistent and efficient manner, QSAE serves as the Secretariat for all ES development Technical Committees (TC's). The Standards and Certification Council of QSAE approved 1019 Ethiopian Standards in December 2006. Approved standards are specific to the flower, edible salt, infant food, textile, and electrical equipment industries. With 6,972 industrial standards, Ethiopia is a standard-setting leader in Sub-Saharan Africa.

Conformity Assessment

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QSAE generally conducts both the testing and conformity assessment. The following organizations provide testing services:

- Building Construction Engineering
- Transport Construction Design Enterprise
- Addis Ababa University Technology Faculty
- Ethiopian Health and Nutrition Research Institute

Product Certification

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Except for a few types of imports, there are no general requirements in the country for product certification. The imports that are required to have product certification are: food stuffs, construction materials, chemicals, textiles, and pharmaceuticals.

The future certification of products which will be normally carried out on the basis of published Ethiopian Standards which have been found amenable to voluntary product certification. This service will be soon started by QSAE especially in areas where there is high consumer interest and some degree of competitive market environment in the country.

The certification schemes used by QSAE are generally based on ISO/IEC Guide 28, General rules for a model third-party certification system for products, which provides generic rules for third-party certification system in relation to determining conformity with product standards.

Accreditation

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Currently, there is no accreditation body at present in Ethiopia. Accreditation is required only for certain sectors such as health, food and construction.

QSAE is also working in setting up the ground work for international accreditation of its product certification service to ISO/IEC Guide 65, General requirements for bodies operating product certification systems.

Publication of Technical Regulations

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Proposed technical regulations are regularly published by the authority. Final regulations are regularly published in the national gazette, Negarit Gazetta, and then passed into law.

Labeling and Marking

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Various requirements exist for labeling and marking based on the Ethiopian Standards (ES). The Commercial Section can provide product specific information.

Contacts

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Quality and Standards Authority of Ethiopia (QSAE) points of contact:

Director General
P. O. Box 2310
Addis Ababa, Ethiopia
Tel: +251-11- 646-0525
Fax: +251-11-646-0880

E-mail: dqgsae@ethionet.et/ gsae@telecom.net.et
www.qsae.org

Public Relations and Education Service
Tel: +251-11-646-0569
E- mail: publicrelations@qsae.org

Quality manager
Tel: +251-11-646-0858
E- mail: qualitymanager@qsae.org

Certification and Regulatory Affairs Directorate
Tel: +251-11-646-0565
E- mail: certification@qsae.org

Quality Promotion and Standards Directorate
Tel: +251-11-646-0567
E- mail: gsae@ethionet.et

Metrology and Testing Laboratories Directorate
Tel. +251-11-646-0683 / 646-0542
E- mail: metrology@qsae.org/ testing@qsae.org

Trade Agreements

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Ethiopia originally signed a Treaty of Amity and Economic Relations with the U.S. in Addis Ababa in 1956 which was updated in 1994.

Ethiopia has the following trade agreements:

- Preferential Trade Agreement between the Government of the Federal Democratic Republic of Ethiopia and the Government of the Republic of the Sudan (Addis Ababa, 25 April 2002).
- Treaty Establishing the Common Market for Eastern and Southern Africa (COMESA) (Kampala, 5 November 1993).
- Agreement Establishing Intergovernmental Authority on Development (IGAD) (Nairobi, March 1996).
- ACP-EU Economic Partnership Agreement (Cotonou, 23 June 2000).

Since then, it has concluded a number of other trade agreements geared towards gaining export opportunities. Ethiopia has no bilateral trade investment agreement with the U.S.; however, it is eligible for preferential access to the U.S. market under the African Growth and Opportunity Act (AGOA).

Web Resources

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Africa Growth and Opportunity Act
www.agoa.gov

Common Market for Eastern and Southern Africa

www.comesa.int

Doing Business in Ethiopia

www.doingbusiness.org/ExploreTopics/StartingBusiness/MoreDetails.aspx?economyId=66

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Chapter 6: Investment Climate Statement

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Openness to Foreign Investment

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2006/2007 HIGHLIGHTS

-- In a bid to curb increasing food prices the Government of Ethiopia (GoE) levied a 10 percent surtax on selected imports as of April 2007 and used the proceeds to distribute subsidized wheat to urban areas.

-- The UN Investment Guide to Ethiopia indicated that, according to the private sector, routine bureaucratic corruption is virtually non-existent in Ethiopia. However, Transparency International recorded a decline in Ethiopia's ranking from 114th out of 145 countries rated in 2004 to 130th out of 160 countries rated in 2006 and 138th out of 180 countries rated in 2007 in its Corruption Perception Index, where a higher number indicates a higher level of corruption.

-- Ethiopia has double taxation treaties with 15 countries, but not with the United States.

-- The nation's central bank, the National Bank of Ethiopia (NBE), has ordered that all bank processes concerning items being exported to China shall be undertaken and overseen by the state-run Commercial Bank of Ethiopia (CBE) effective November 14, 2006.

-- NBE revised the monetary and banking proclamations and the banking business proclamation 1994. These draft laws are distributed to commercial and banks and other stakeholders for comments. The laws are expected to be approved by Parliament during 2008.

-- The World Bank's *2008 Doing Business Report* ranks Ethiopia as 9th in Sub-Saharan Africa for ease of doing business. Factors considered include starting a business, registration, and credit facilities, while macroeconomic conditions and level of infrastructure development are not considered.

-- A National Foreign Investment Promotion Advisory Council has been established with the aim of conducting focused foreign investment promotion on textiles and garments, leather and leather products, fruits and vegetables and agro-processing areas. Its major tasks are to collect, organize and make available basic data regarding land allocation, utilities connection, investment opportunities, market and other relevant information. The next step is to track potential foreign investors and convince them to invest in Ethiopia in the priority areas.

-- The GoE has publicly stated that the private sector will be an engine of development and that private capital should play an important role in the economy. The GoE has eliminated most of the discriminatory tax, credit and foreign trade treatment of the private sector, simplified administrative procedures, and established a clear and consistent set of rules regulating business activities.

--Ethiopia continues in the WTO accession process. The Memorandum of Foreign Trade Regime (MFTR) was submitted to the WTO Secretariat in December 2006. Ethiopia is currently preparing responses to the questions posed by member states, and the responses are expected to be delivered in February 2008.

-- Though bureaucratic hurdles continue to affect implementation of projects, the Ethiopian Investment Agency (EIA), the main contact point for foreign investors, has improved its services and is now providing a highly expedited "one-stop shop" service that significantly cuts the time and cost of acquiring investment and business licenses.

--The Ethiopian Parliament endorsed Ethiopia's Commodity exchange proclamation in July 2007 and levy of export taxes on raw and semi-fished hides and skins in February 2008

OVERVIEW:

In June 1996, the Ethiopian Government issued a revised Investment Code which provided incentives for development-related investments, reduced capital entry requirements for joint ventures and technical consultancy services, created incentives in the education and health sectors, permitted the duty-free entry of capital goods (except computers and vehicles), opened the real estate sector to expatriate investors, extended the losses carried forward provision, cut the capital gains tax from 40 to 10 percent, and gave priority to investors in obtaining land for lease.

Amendments to Ethiopia's Investment Proclamation (Law) were issued in September 1998 and July 2002, further liberalizing the investment regime and removing most of the remaining restrictions. In the latest amendment, areas solely reserved for government investment were reduced to the transmission and supply of electricity through the Integrated National Grid System, postal services with the exception of courier services, and passenger air service using aircraft with more than 20 seats. Manufacturing of weapons and ammunitions and telecommunications services can only be undertaken as joint ventures with the government.

Ethiopia's revised investment code prohibits foreign firm participation in domestic banking, insurance and micro-credit services. Other areas of investment reserved for Ethiopian nationals include broadcasting, financial services, air transport services using aircraft with a seating capacity of less than 20 passengers, travel agency services, and forwarding and shipping agency services. Professional service providers must be licensed by the Government to operate in Ethiopia. Also a foreign investor intending to buy an existing enterprise to operate it or buy shares in an existing enterprise needs to obtain prior approval from the Investment Agency.

In addition to those mentioned above, the amendment reserves the following areas of investments for domestic investors: retail trade and brokerage; wholesale trade (excluding supply of petroleum and its by-products as well as wholesale by foreign investors of their locally-produced products); import trade (excluding LPG, bitumen and upon approval from the Council of Ministers, material inputs for export products); export trade of raw coffee, chat, oilseeds, pulses, hides and skins bought from the market and live sheep, goats and cattle not raised or fattened by the investor; construction companies excluding those designated as grade 1; tanning of hides and skins up to crust level; hotels (excluding star-designated hotels), motels, pensions, tea rooms, coffee shops, bars, night clubs and restaurants excluding international and specialized restaurants; trade auxiliary and ticket selling services; car-hire, taxi-cabs transport services; commercial road transport and inland water transport services; bakery products and pastries for the domestic market; grinding mills; barber shops, beauty salons, and provision of smith, workshop and tailoring services except by garment factories; building maintenance and repair and maintenance of vehicles; saw milling and timber making; custom clearance services; museums, theaters and cinema hall operations; and printing industries.

Another important change made in the 2002 amendment has been the reduction in the minimum capital requirement of foreign investors from \$500,000 to \$100,000 per project for wholly foreign owned investments and from \$300,000 to \$60,000 for joint investments with domestic investors. The minimum capital required of foreign investors in the areas of engineering, architectural, accounting and auditing services; business and management consultancy services; and publishing is reduced from \$100,000 to \$50,000 for wholly foreign owned investment; and to \$25,000 for joint ventures undertaken with domestic partners. A foreign investor reinvesting profits or dividends or exporting at least 75 percent of the output will not be required to meet minimum capital requirements. The 27 percent equity requirement of local partners in joint ventures is also repealed.

Most, but not all of the tenders issued by the Privatization and Public Enterprises Supervising Agency (PPESA) under Ethiopia's privatization program are open to foreign participation. In some instances the Government promotes joint ventures with Ethiopian private companies rather than outright sales. Some sectors are closed to foreign investment.

Foreign firms participate through consultancy services preparatory to privatization, or through tendering on advertised privatization opportunities. Of the 360 public enterprises and branches pegged for privatization, 294 have been offered between 1994 and December 2007. 254 properties approximately worth in excess of \$460 million have been sold; 18 returned to their original owners, while 10 retail shops and 1 state farm has been closed. These enterprises are mostly small enterprises in trade and other

service sectors. 24 enterprises were privatized from October 2006 through December 2007.

While PPESA would not provide the value of privatized companies, research indicates that companies owned by or affiliated with prominent Ethio-Saudi businessman Sheik Mohammed Al-Amoudi were awarded enterprises worth over \$250 M USD, which constitutes over half of all privatizations by value.

There are no discriminatory or excessively onerous visas, residence, or work permit requirements regarding foreign investors. Foreign investors do not face unfavorable tax treatment, denial of licenses, discriminatory import or export policies, or inequitable tariff and non-tariff barriers. However, some Ethio-American investors who acquired privatized properties have experienced difficulties obtaining title deeds to the properties because of difficulties created by local level authorities. Some had problems acquiring land for investment purposes. Although federal officials have at times intervened to resolve these problems; a lasting solution requires policy level changes.

Conversion and Transfer Policies

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-- Ethiopia's Investment Proclamation (Law) allows all foreign investors, whether or not they receive incentives, to remit freely profits and dividends, principal and interest on foreign loans, and fees related to technology transfer. Foreign investors may also remit proceeds from the sale or liquidation of assets, from the transfer of shares or of partial ownership of an enterprise, and funds required for debt service or other international payments. The right of expatriate employees to remit their salaries is granted in accordance with the foreign exchange regulations of the National Bank of Ethiopia (NBE). U.S. businesses represented in Ethiopia do not encounter difficulties in the repatriation of dividends.

-- The NBE retains a monopoly on all foreign currency transactions. The NBE supervises all payments or remittances made abroad. The local currency (Birr) is not freely convertible. Ethiopia issued several proclamations (laws) in September 1998 that somewhat liberalized the country's foreign exchange market. NBE issued a directive in 2004 that allows non-resident Ethiopians and non-resident foreign nationals of Ethiopian origin to establish and operate foreign currency accounts. The minimum deposit is U.S. \$100 and since 2006 the maximum amount is \$50,000. The directive also allows them to open a minimum of \$5,000 in a fixed foreign currency account. The Bank issued two other directives in 2006 regarding Flower Export and Foreign Exchange Repatriations and Provision for International Remittance Services. In general, firms complain that they are facing difficulty in obtaining needed foreign exchange at competitive rates.

-- In contrast to recent years, the Birr has undergone a sharp depreciation, from Birr 8.65 per dollar in January 2005 to Birr 9.2 per dollar in December 2007. Over this period, the differential between the inter-bank determined rate and the parallel (or "black market") exchange rate has been steadily increasing. The rate in the parallel market began to diverge beginning in 2005 due to speculation, loss of investor confidence and excess demand for foreign exchange. Currently, the official exchange rate is Birr 9.2 per dollar while Birr 9.8 in the parallel market.

Expropriation and Compensation

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-- Per Ethiopia's 1996 Investment Proclamation (Law) and subsequent amendments, no assets of a domestic investor or a foreign investor, enterprise or expansion may be nationalized wholly or partly, except when required by public interest and in compliance with the laws and payment of adequate compensation. Such assets may not be seized, impounded, or disposed of except under a court order.

-- No confirmed acts of expropriation have occurred under either the Transitional Government of Ethiopia (1991-95) or the Federal Democratic Republic of Ethiopia, which assumed power in mid-1995. Nevertheless, a few cases of U.S. citizens whose business properties were expropriated by the Marxist Derg government in power between 1974 and 1991 remain unresolved

-There have been attempts by regional governments at the Woreda and Keble levels to forcibly relocate/confiscate American Citizen's investments without following the rule of law of the country.

-- There is no right of private ownership of land. All land is owned by the state and can be leased for up to 99 years. A few textiles factories privatized in recent years were repossessed by the government because the new owners failed to pay debts owed to the government and other commercial banks.

Dispute Settlement

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-- According to the Investment Proclamation (Law), disputes arising out of foreign investment that involve a foreign investor or the state may be settled by means agreeable to both parties. A dispute that cannot be settled amicably may be submitted to a competent Ethiopian court or to international arbitration within the framework of any bilateral or multilateral agreement to which the Government and the investor's state of origin are contracting parties.

-- Ethiopia's judicial system remains underdeveloped, poorly staffed and inexperienced, although efforts are underway to strengthen its capacity. While property and contractual rights are recognized and there are written commercial and bankruptcy laws, many judges lack understanding of commercial matters. There is no guarantee that the decision of an international arbitration body will be fully accepted and implemented by Ethiopian authorities. The Embassy routinely advises investors to specify whether disputes will be settled by arbitration either in Ethiopia (the Chamber of Commerce now runs an arbitration center) or abroad due to the lack of experience of domestic courts.

-- Ethiopia is not a member of the International Center for the Settlement of Investment Disputes.

Performance Requirements and Incentives

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-- The 2003 amendment to the Investment proclamation gives investment incentives for investors in specific areas.

-- Investors engaged in manufacturing, agro-industrial activities or the production of certain agricultural products and who export at least 50 percent of their products or supply at least 75 percent of their product to an exporter as production input, are thus exempt from income tax for five years. An investor who exports less than 50 percent of his product or supplies his product only to the domestic market is income tax exempt for two years. Under special circumstances, the Board and the Council of Ministers could extend the tax exemption.

-- The government has also set up a special loan fund of \$174 million through the Development Bank of Ethiopia and made available land at low lease rates for priority export areas such as floriculture, leather goods, textiles and garments, agro-processing and related products. An investor can borrow up to 70 percent of the cost of the project from this special fund without collateral upon presenting a viable business plan and 30% personal equity.

-- An investor who invests in the relatively under-developed regions of Gambella, Benishangul and Gumuz, South Omo, Afar and Somali will be eligible for an additional one-year income tax exemption. However, an investor who exports hides and skins after processing only up to crust level will not be entitled to the income tax incentive. On February 3, 2008, the House of Peoples' Representatives approved a draft bill imposing export duty on hides and skins and semi processed hides and skins.

-- Investors who expand or upgrade existing enterprises and export at least 50 percent of their output or increase production by 25 percent are eligible for income tax exemption for two years.

-- Investors are allowed to import duty-free capital goods and construction materials necessary for the establishment of a new enterprise or for the expansion of an existing enterprise. Also spare parts worth 15 percent of the value of the capital good can be imported duty free. This privilege may be denied if the capital good and construction materials are locally produced and have competitive prices, quality and quantity.

Right to Private Ownership and Establishment

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-- Both foreign and domestic private entities have the right to establish, acquire, own and dispose of most forms of business enterprises.

-- State-owned enterprises have considerable *de facto* advantages over private firms, particularly in the realm of Ethiopia's regulatory and bureaucratic environment, including ease of access to credit and speedier customs clearance. Local businessmen as well as foreign investors complain of the lack of a level playing field when it comes to state-owned and party-owned businesses, also known as "endowment companies." While there is no report of credit advancement to them, there are indications that they receive incentives such as foreign exchange allocation, preferences in government tenders, and marketing assistance.

Protection of Property Rights

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-- Secured interests in property are protected and enforced, although all land ownership remains in the hands of the state.

-- One pending issue is the return of properties seized, "lawfully" or "unlawfully" during the Mengistu Haile-Mariam, or Derg, regime (1974-91). The Government's position is that property seized "lawfully," that is, by court order or government proclamation published in the official gazette, remains the property of the state. The state may choose to sell such property if deemed appropriate. In most cases, property seized by oral order or other informal means is gradually being returned to lawful owners or their heirs through a lengthy judicial appeals process. Claimants are required to pay for any additions (buildings, generators, etc.) or improvements made by the Government.

-- Land for investment purpose is leased, with prices set by periodic auctions for urban land with established market floors. Land leasehold regulations, however, vary in form and practice by region. The June 1996 Investment Proclamation and subsequent amendments charge the Investment Authority with locating and facilitating the leasing of property by licensed investors.

-- Loan terms are generally quite short and very few mortgages are made. There is no system of recording security interests.

-- Also see section on Intellectual Property Rights.

Transparency of Regulatory System

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Ethiopia's regulatory system is generally considered fair, though there are instances in which burdensome regulatory or licensing requirements have prevented the local sale of U.S. exports, particularly personal hygiene and health care products. Investment, business and other licenses for foreign investors can now be obtained from the Ethiopian Investment Agency in a matter of hours.

Efficient Capital Markets and Portfolio Investment

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-- Ethiopia does not have a securities market, although a private sector initiative to establish a mechanism for buying and selling company shares is under discussion.

--The government of Ethiopia is in a move to launching a commodity exchange to help alleviate food shortages and encourage the commercialization of agriculture. The Ethiopia Commodity Exchange (ECEX) is expected to be opened in spring 2008. Given the myriad weaknesses of Ethiopia's agriculture sector and the government's insistence on maintaining a tight grip on ECEX, market participants who profit from price opacity will have other incentives to keep trading off the exchange.

-- While credit is available to investors on market terms, the 100 percent collateral requirement limits the ability of some investors to take advantage of business opportunities. Export oriented investors can borrow from the special fund at the Development Bank of Ethiopia without collateral for up to 70 percent of the project cost.

-- Foreign banks are not permitted to provide financial services in Ethiopia. Currently eleven banks; three state-owned and eight privately owned, are licensed to operate in the country. Four more private banks (Zemen, Oromia International, Berhan International, and Buna) are under formation but not yet given license. Some of the banks used to have extremely high non-performing loan (NPL's) portfolios. Due to their risk-averse behavior and NBE's recently-stringent supervision however, currently the NPL's ratio of commercial banks is declining and is below 20 percent. The state-owned Commercial Bank of Ethiopia has approximately two-thirds of the assets of the banking sector.

-- The Ethiopian Government partially controls interest rates. NBE determines the floor bank deposit rate. Because there are no real securities markets, the Government cannot affect interest rates through market actions and retains the right to set interest rates. Loan interest rates are allowed to float. The minimum deposit interest rate is now 4 percent; adjusted upwards from 3 percent in July 2007. Real interest rates remained negative over the past three years mainly driven by the increase in the inflation rate. The Government offers a limited number of 28 days, 3-month and 6-month Treasury bills, but prohibits the interest rate from exceeding the savings deposit rate. In September 1998, Ethiopia reduced the minimum denomination of Treasury bills to about \$600 (5,000 Birr) in view of accommodating the private sector and individuals in the market. The yield on these T-bills is very low, 0.638 percent for 28 days, 1.091 percent for 91 days and 1.028 percent for 182-days bill in the first quarter of 2007/08.

-- There are no laws or regulations authorizing private firms to adopt articles of incorporation/association that limit or prohibit foreign investment, participation or control. There are no private sector or Government efforts to restrict foreign participation in industry standards setting consortia or organizations. There are no known instances of private firms attempting to restrict foreign investment, participation or control of domestic enterprises.

-- There are no "cross-shareholding" or "stable shareholder" arrangements used by private firms to restrict foreign investment through mergers or acquisitions.

Political Violence

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Ethiopia is relatively stable and secure for investors. Sporadic ethnic and religious violence in Oromia, Southern and Somali regions in recent years has not seriously affected foreign or domestic investors, although an insurgent attack on Chinese workers at an oil exploration site in Somali region in April 2007 has prompted China to suspend exploration operations there.

There was political unrest, violent protests and numerous arrests following the disputed May 2005 elections. While the unrest had largely subsided by 2007, local level elections in April 2008 hold the potential of re-sparking political unrest.

Corruption

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-- The UN Investment Guide to Ethiopia published in 2004 asserts that, according to the private sector, routine bureaucratic corruption is virtually non-existent in Ethiopia. The

guide adds that bureaucratic delays and difficulties certainly exist, but they are not devices by which officials strive to line their pockets.

-- Ethiopia's Transparency International corruption rating has declined. Ethiopia ranked 114th out of 146 countries rated in 2004 (a higher number indicates a higher level of corruption), 137th out of 159 countries rated in 2005, 130th out of 160 countries rated in 2006 and 138th out of 180 countries rated in 2007 suggesting a worsening corruption trend. There are suspicions that the frequent cancellation of telecommunications, power and other infrastructure tenders may be a result of corruption. In addition, state- and party- owned businesses are widely perceived to receive preferential access to land leases and credit.

-- The Federal Ethics and Anti-Corruption Commission was established in 2001. Since its establishment, the Commission has arrested many officials, including managers of the Privatization Agency, the state-owned Commercial Bank of Ethiopia, and private businessmen and charged them with corruption. There were some arrests in 2007 such as officials from the Ethiopian Telecommunications Corporation, Addis Ababa City Land Administration, Ministry of Mines and the National Bank of Ethiopia.

-- Money laundering controls do not apply to non-banking financial institutions or intermediaries and there have been no significant arrests for money laundering or terrorist financing in 2007. There is no distinct 2007 recording of terrorist-related financing arrests or convictions.

-- It is a criminal offense to give or receive bribes, and bribes are not tax deductible. The Embassy has no knowledge of foreign investors ever being charged with corruption. The Ministry of Justice and the Anti-Corruption Commission are the Government entities with the primary responsibility to combat corruption.

Bilateral Investment Agreements

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To date, Ethiopia has bilateral investment agreements and treaties with China, Denmark, Italy, Kuwait, Malaysia, Netherlands, Russia, Sudan, Switzerland, Tunisia, Turkey Yemen, and recently with Djibouti. The Investment Agency has expressed interest in discussing a bilateral investment treaty with the United States. A Treaty of Amity and Economic Relations, which entered into force on October 8, 1953, governs economic and consular relations between the U.S. and Ethiopia. Ethiopia also has double taxation treaties with Italy, Kuwait, Romania, Russia, Tunisia, Yemen, Israel and South Africa. There is no double taxation treaty between the U.S. and Ethiopia.

OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC) offers risk insurance and loans to US investors in Ethiopia. In October 2000, the Ethiopian Investment Authority and OPIC signed an Investment Incentive Agreement and the agreement was ratified by the Ethiopian Parliament on April 8, 2003. OPIC provided political risk insurance in 1995 for a US\$ 48 million project by a US firm to construct a sugar refinery. It also provided risk insurance to a US firm involved in a road design project. OPIC also provided loan and risk insurance in 2003 for MedPharm project, a medical laboratory established by a US

company led by a US citizen of Ethiopian origin. The project is now operational. Ethiopia is a member of the Multilateral Investment Guarantee Agency (MIGA).

OPIC has established the Enterprise Development Network (EDN) – An alliance between OPIC and the private sector to help source and process SME deals which has led to the birth of Loan Originators.

The Loan Originators program was launched in June 2007. The International Executive Service Corps (IESC) is a nonprofit economic development organization which has become an official Loan Originator of OPIC in September 2007.

Companies eligible for OPIC financing under this program are:

- US sponsor (can be a US individual or US company 50% owned by a US citizen) owning a minimum of 25% equity in the foreign entity: Lower hurdle for franchises/high impact projects
- US sponsor with annual sales of \$20 - \$250m
- US sponsor with proof of profitability for last three years
- Loan requirement of \$2m to \$15m with tenors of up to 7 years – Bigger amounts with longer tenors also possible

The priority sectors for OPIC are housing, clean energy / energy efficiency, infrastructure, water, tourism, financial services, high multiplier effect and franchising.

Labor

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-- Ethiopia's labor force is estimated at 35 million, of which 85 percent are employed in subsistence agriculture, mostly as farmers. The Government and armed forces are the most important sectors of employment outside of agriculture and provide work for almost 3 million people. The number of permanent and temporary workers employed in public sector manufacturing increased from 78,000 in 1978 to over 300,000 in 1999 and currently remains at about the same level. Approximately 40 percent of the urban workforce is unemployed. The high urban underemployment is partially offset by an informal economy. According to a May 2006 ILO survey, the informal sector constitutes 70-80% of the workforce. The economy is growing but does not generate enough jobs for the 600,000 new entrants per year.

-- Labor remains readily available and inexpensive in Ethiopia. Skilled manpower, however, is scarce in many fields.

-- Only about 300,000 workers are members of labor unions. Civil sector employees are not allowed to form unions. Most ILO Core Labor Standards have been enacted into law; the Ethiopian Parliament ratified ILO Convention 182 on the Worst Forms of Child Labor in May 2003.

-- Child labor is widespread in Ethiopia. While not a pressing issue in the formal economy, child labor is common in rural agrarian areas and the informal economy in urban areas. Employers are statutorily prohibited from hiring youngsters under the age

of 14. There are strict labor laws defining what sectors may hire "young workers," defined as workers aged 14 to 18, but these are not always enforced.

-- Ethiopia has ratified all eight core ILO conventions. Ethiopia's Labor Proclamation (42/93) prohibits children below the age of 14 from working. The same proclamation limits conditions of work for children between the ages of 15 and 18. Children in the 15-18 year old age bracket are allowed to work so long as it is not hazardous to their health or developmental progress. Prohibited activities include transporting goods by air, land, or sea; working with electric power generation plants; and performing underground work. Article 176 of Ethiopia's Criminal Code identifies minors as age 15 or younger, identifies age 18 as the age of legal majority, and notes that those between age 15 to 18 belong to an "intermediary age group."

-- The Ethiopian Penal Code outlaws work specified as hazardous by the International Labor Organization (ILO) convention, but the labor law of Ethiopia does not define or specify the worst forms of child labor. The GOE ratified Convention 182 on May 8, 2003. As the Ethiopian constitution states that all international conventions and covenants ratified by Ethiopia are an integral part of the law of the land, the list of occupations listed by the ILO Convention also apply in Ethiopia.

-- Ethiopia generally enjoys labor peace. There was no formal labor strike in 2006/07. The Government re-certified the Confederation of Ethiopian Trade Unions (CETU) in April 1997. Since its re-certification, CETU (with a constituent membership of 182,000) has focused on fundamental workers' concerns, such as job security; pay increases, severance pay, and health and retirement benefits. The right to form labor associations and to engage in collective bargaining is granted in the constitution. The new labor law that went into effect in February 2004 is generally considered pro-employer by labor unions. Workers who perform essential services are not permitted to strike. Organizing workplaces is difficult because the courts are slow. According to the Ministry of Labor and Social Affairs (MOLSA) and ILO staff, the 2003 labor laws are considered to be a positive step, however implementation remains weak. While there is supposed to be an industrial court in each of the nine regions, they exist only in Addis and three regions.

-- Tri-partism emerged in May 1998 when the Government licensed the Ethiopian Employers' Association (EEA). The EEA is dedicated to maintaining labor peace and works in harmony with the ILO, CETU and the Ministry of Labor and Social Affairs. Its leadership supports the adoption of all ILO Core Labor Standards. In general, entrepreneurs believe that cooperating with labor is in their self-interest.

Foreign-Trade Zones/Free Ports

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-- There are no areas designated as foreign trade zones and/or free ports in Ethiopia. Because of the 1998-2000 Ethio-Eritrean war, Ethiopian exports and imports through the Eritrean port of Assab are now prohibited. As a result, Ethiopia is conducting almost all of its trade through the port of Djibouti with some trade via the Somaliland port of Berbera. Despite Ethiopia's efforts to clamp down on small-scale trade of contraband, unregulated exports of coffee, live animals, khat (a mildly narcotic amphetamine-like leaf), fruit and vegetables, and imports of cigarettes, alcohol, textiles, electronics and other consumer goods continues. The Government of Ethiopia provides support to exporters of textiles, leather and horticultural products, including plots of land at low lease prices and a line of credit of \$174 million (1.5 billion Birr) to finance exports.

Foreign Direct Investment Statistics

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-- Foreign direct investment in Ethiopia has gradually increased in the last few years. It increased from \$40 million in 2002 to \$70 million in 2004. Floriculture, horticulture in general, and leather are the sectors that have lately attracted FDI. Cumulated US capital inflow in the form of FDI to Ethiopia in the past 15 years has surpassed an estimated amount of \$4.0 billion. Current U.S. direct investment in Ethiopia is estimated at about \$60 million.

-- U.S. companies with a significant presence and participation in Ethiopia's economy include Boeing, Cargill, Sheraton Hotels, Lucent Technologies, Cisco, Coca-Cola, Pepsi-Cola, Schaffer & Associates, Pioneer Hi-Bred Seeds, DHL International, Federal Express, United Parcel Service, Caterpillar, Mack Trucks, General Motors, Rank/Xerox Corporation, John Deere, Navistar and Hughes Network.

Web Resources

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Addis Ababa Chamber of Commerce

www.addischamber.com

African Growth Opportunity Act

www.agoa.gov

Ethiopian Business Development Services Network (EBDSN)

www.bds-ethiopia.net/investment3.html

Ethiopian Investment Agency

www.investethiopia.org

International Chamber of Commerce

www.iccwbo.org

Overseas Private Investment Corporation

www.opic.gov/doingbusiness/edn/edn_originators_lenders_advisors.asp

An Investment Guide to Ethiopia

www.unctad.org/Templates/webflyer.asp?docid=4826&intlItemID=2659&lang=1&mode=toc

United Nations conference on trade and development

www.unctad.org/en/docs/iteia20042_en.pdf

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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There are different basic methods of receiving payment for products sold in Ethiopia, the selection of which is usually determined by the degree of trust in the buyer's ability to pay. Payment alternatives that U.S. exporters might consider, in order of the most secure to the least-secure, include:

- Confirmed irrevocable letter of credit (if concerned about the importer and international standing of his bank).
- Irrevocable letter of credit (if concerned only about the reliability of the importer).
- Documentary collection (cash against document).
- International Telegraphic Transfer (when the transaction is below \$5,000 and certain types of goods, such as urgent medicine).

As a general rule, U.S. exporters selling to Ethiopia for the first time are advised to transact business only on the basis of an irrevocable letter of credit, confirmed by a recognized international bank. Any other form of payment carries a high level of risk.

How Does the Banking System Operate

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- In line with its market economic policies, the Government of Ethiopia allowed the establishment of private banks and insurance companies in 1994, but prohibited foreign ownership of such companies. The Ethiopian banking sector is currently comprised of a central bank, three government owned and nine private banks, and nine insurance companies
- The state owned Commercial Bank of Ethiopia dominated the market in terms of share of assets, deposits, bank branches, and total banking force. CBE operates 196 branches, with total assets of over \$6 billion.
- The first private bank -- Awash International Bank -- started operations in late 1994. Over the last fourteen years, eight additional private banks (Dashen Bank, Bank of Abyssinia, Wegagen Bank, Nib International Bank, United Bank, Oromia Cooperative Bank and Lion International Bank) have been licensed
- The two government-owned specialized banks are the Development Bank of Ethiopia (DBE) and the Construction and Business Bank (CBB). DBE extends short, medium and long-term loans for viable development projects, including industrial and agricultural projects. It also provides other banking services such as checking and saving accounts to its clients. The CBB provides long-term loans for construction, acquisition or maintenance of dwellings, community facilities and real estate development. In addition, it offers all other commercial

banking services to business. In 2008, licensure for three additional private banks is pending.

- Micro finance institutions are also becoming major financial service providers to low-income micro-entrepreneurs both in urban and rural areas. These institutions extended a total of \$ 325 million credit and mobilized some \$ 100 million savings and their capital has reached \$1,110 million by June 2007. Currently, 29 micro-finance institutions operate in the country. Two micro-finance institutions are currently in the process of securing their licenses. The National Bank of Ethiopia (NBE) is the supervisory institution. The NBE amended its MFI regulatory framework in 2007. Accordingly the maximum single borrower loan amount was revised from \$575 to 4% percent of the institution's capital.
- NBE aims to foster monetary stability and a sound financial system, maintaining credit and exchange conditions conducive to the balanced growth of the economy. The NBE may engage with banks and other financial institutions in the discount, rediscount, purchase, or sale of duly signed and endorsed bills of exchange, promissory notes, acceptances, and other credit instruments with maturities of not more than 180 days from the date of their discount, rediscount, or acquisition by the bank. The bank may buy, sell, and hold foreign currency notes and coins and such documents and instruments, including telegraphic transfers, as are customarily employed in international payments or transfers of funds.

Foreign-Exchange Controls

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All payments abroad require permits and all transactions in foreign exchange must be carried out through authorized dealers supervised by the National Bank of Ethiopia (NBE). The NBE has delegated most of the foreign exchange transaction functions to the commercial banks. Importers and exporters now obtain import/export permits through the commercial banks. In addition, exporters can retain indefinitely 10 percent of their foreign exchange proceeds and sell the remaining 90 percent to commercial banks within four weeks.

U.S. Banks and Local Correspondent Banks

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The following are Ethiopian banks with correspondent relationships with U.S. banks:

Awash International Bank
P.O. Box 12638
Addis Ababa, Ethiopia
Tel: +251-11-661-4482/661-3023
Fax: +251-11-661-4477
Email: awash.bank@ethionet.et
www.awash-bank.com

Bank of Abyssinia
P.O. Box 12947
Addis Ababa, Ethiopia
Tel: +251-11-551-4130
Fax: +251-11-551-0409

Email: bankofabyssinia@ethionet.et
www.bankofabyssinia.com

Commercial Bank of Ethiopia
P.O. Box 255
Addis Ababa, Ethiopia
Tel: +251-11-551-5004
Fax: +251-11-551-4522
E-mail: cbe.president@ethionet.et / cbeMrk@telecom.net.et
www.combanketh.com

Construction and Business Bank
P.O. Box 3480
Addis Ababa, Ethiopia
Tel: +251-11-551-51-2300
Fax: + +251-11-551-5103
E-mail: cbb@ethionet.et / cbbbdd@ethionet.et
www.cbb.com.et

Dashen Bank
P.O. Box 12752
Addis Ababa, Ethiopia
Tel: +251-11-465-4073/465-0286
Fax: +251-11-465-3037
E-mail: dashen.bank@ethionet.et
www.dashenbank.com

National Bank of Ethiopia
P.O. Box 5550
Addis Ababa, Ethiopia
Tel: +251-11-551-7430
Fax: +251-11-551-4588
Email: nbe.excd@ethionet.et
www.nbe.gov.et

Nib International Bank
P.O. Box 2439
Addis Ababa, Ethiopia
Tel: +251-11-550-3288/550-3304
Fax: +251-11-550-4349
Email: nibbank@ethionet.et
www.addischamber.com/nibbank.htm

United Bank
P.O. Box 19963
Addis Ababa, Ethiopia
Tel: +251-11-465-5222/465-5272
Fax: +251-11-465-5243
Email: hibretbank@ethionet.et
www.hibretbank.com

Wegagen Bank
P.O.Box 1018
Addis Ababa, Ethiopia
Tel: +251-11-552-3800/552-3526
Fax: +251-11-552-3520/552-3521
E-mail: wegagen@ethionet.et
www.wegagenbank.com

Lion International Bank S.C

P.O.Box 27026 Code 1000
Addis Ababa, Ethiopia
Tel: +251-11-662-6000
Fax: +251-11-662 5999
Email: anbesabank@ethionet.et, lionbank@ethionet.et
www.anbesabank.com

Project Financing

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Although the local private banks have excess liquidity and additional capital to lend, they often require a large percentage of loans in collateral, which must usually consist of cash or durable capital. The NBE must approve loans from overseas institutions that require hard currency debt repayments. Both project financing and insurance coverage is available through the Overseas Private Investment Corporation (OPIC). In October 2000, the Ethiopian Investment Commission (now known as the Agency) signed an Investment Incentive Agreement with OPIC and the agreement was ratified by the Ethiopian Parliament in April 2003.

Project capital is available for many projects in roads, energy, health, capacity building, ICT, and primary and higher education from the International Development Association of the World Bank or the African Development Bank. The International Finance Corporation provides some equity financing for private sector projects. The Bank would release roughly \$500 million for the implementation of the development projects every year. Similarly, the African Development Bank (ADB) granted Ethiopia \$200 million for the same purpose. The EU has also allocated over 500 million Euros towards the development of infrastructure, food security and capacity building projects between 2002 and 2007.

A list of ongoing projects funded by major financial institutions like the International Development Association (IDA) and the World Bank includes:

Project Name	Commitment Amount*	Product Line	Country/Area	Approval Date	Closing Date
ENERGY ACCESS PROJECT	155.02	IDA	Ethiopia	Active	19-SEP-2002
Private Sector Development Capacity Building Project	24	IBRD/IDA	Ethiopia	Active	21-DEC-2004

Productive Safety Nets II	179.60	IIDA H2660	Ethiopia	09-JAN-2007	30-JUN-2010
Road sector Development Program APL 1	140.95	IDA –H0490	Ethiopia	19-SEP-2002	30-JUN-2009
Road sector Development Program Phase 2 supplement 2	257.34	IDA –39890 - 39891	Ethiopia	21-DEC-2004	30-JUN-2012
Road sector Development Program Stage III Project	225.37	IDA –43150	Ethiopia	30-NOV-2004	30-JUN-2015
ET-ICT Assisted Dev SIM (PO78458)	26.11	IBRD/IDA	Ethiopia	16-SEP-2004	31-MAY-2010
Post Secondary Education Project	41.53	IBRD/IDA	Ethiopia	26-SEP-2004	01-SEP-2009
Ethiopia Water Supply and Sanitation Project	100	IBRD/IDA	Ethiopia	21-MAY-2004	31-MAR-2010
Public Sector Capacity Building Program Support Project	101.44	IBRD/IDA	Ethiopia	11-MAY-2004	07-JUL-2007
Food Security Project	123.04	CIDA,IDA,ITAL	Ethiopia	11-MAY-2004	30-JUN-2009
Capacity Building for decentralized service	30.91	IDA	Ethiopia	11-MAY-2004	31-DEC-2007
Cultural Heritage Project	6.21	IDA,JPN	Ethiopia	30-Jun-2007	15-JAN-2008
Pastoral Community Development Project	55.8	IDA,IFA,JPN	Ethiopia	30-Jun-2009	31-DEC-2008
Rural Capacity Building Project	55.0	IDA,JPN	Ethiopia	30-MAY-2002	31-OCT-2011
Financial Sector capacity building project	15.14	IDA	Ethiopia	22-JUN-2006	30-JUN-2009
Accelerated Electricitv	136.41	IDA	Ethiopia	12-JUN-2006	31-DEC-2009

Electricity Access (rural expansion)				2006	2009
Energy Access	160.0	IDA	Ethiopia	19-SEP-2002	30-JUN-2009
Private Sector Development Capacity Building	20.0	IDA	Ethiopia	21-DEC-2004	30-JUN-2011
Protection of Basic services		IDA/MULT	Ethiopia	25-MAY-2006	30-JUN—2008
Irrigation and Drainage	100.0	IDA	Ethiopia	21-JUN-2007	31-OCT-2015
Multi Sector HIV/AIDS	30.31	IDA	Ethiopia	08-MAR-2007	30-JUN-2010
Urban Water Supply Sanitation	101.85	IDA	Ethiopia	24-APR-2007	31-DEC-2012

Source: - The World Bank

Web Resources

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Commercial Bank of Ethiopia

www.combanketh.com

Country Limitation Schedule

www.exim.gov/tools/country/country_limits.html

Export-Import Bank of the United States

www.exim.gov

Overseas Private Investment Corporation

www.opic.gov

Trade and Development Agency

www.tda.gov

SBA's Office of International Trade

www.sba.gov/oit

USDA Commodity Credit Corporation

www.fsa.usda.gov/cc/c/default.htm

U.S. Agency for International Development

www.usaid.gov

World Bank

4/2/2008

www.worldbank.org

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Business Customs

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Ethiopia is a developing country with a complex market. The U.S. exporter should keep certain factors in mind to achieve maximum success.

Given the good business and political relations between Ethiopia and the U.S., there are significant commercial opportunities for U.S. firms. The principles of customary business courtesy, especially replying promptly to requests for price quotations and orders, are a prerequisite for exporting success.

U.S. firms should sustain close contact with distributors and customers to exchange information and ideas. Local distributors/representatives can serve as a best source of local market requirement information and as appraisers of product market acceptance. In most instances, mail, fax, telephone, and increasingly e-mail communications are sufficient, but the understanding developed through periodic personal visits is the best way to keep distributors apprised of new developments and to resolve problems quickly.

Ethiopians are formal during the first meeting and become less so once friendship is developed. Persons are universally addressed by first name rather than by last name (no family name). For a man, the common title (comparable to "Mister") is "Ato" and for a woman is "Weizero" (Mrs.) if married and "Weizerit" (Miss) if single. Business is often conducted at the office, over lunch or dinner. Business entertainment may be conducted at relaxed events such as the Azmari Bet (traditional music place), restaurants, or even in personal residences. Business hours are usually from 8:30 a.m. or 9 a.m. to 5 p.m. or 6 p.m. Most businesses close during the lunch hour. Visitors must declare hard currency upon arrival and may be required to present the declaration upon departure. There are strict penalties for exchanging money on the black market. Credit cards are not widely accepted. Electronic payment services such as Automated Teller Machines machine (ATMs) and local currency denominated debt/credit card facilities are currently being introduced by commercial banks.

Ethiopia's main dish is called "injera and wot". Injera is like spongy flat bread made of a cereal called teff; wot is a stew-like dish made with beans, meat or vegetables and cooked in a hot, spicy sauce. In larger hotels and restaurants, menus reflect international standards. In Addis Ababa there are a number of restaurants serving

continental, Italian, French, Greek, Armenian, Middle Eastern, Indian, and, Chinese food.

Visa Requirements

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Visas are required for all visitors to Ethiopia (with the exception of nationals of Djibouti, and Kenya) and are readily available from Ethiopian diplomatic missions abroad. Citizens of the United States and nationals of some other countries are eligible to obtain and purchase visas at Bole International Airport upon arrival. Passports must be valid for six months beyond the end of the traveler's stay in Ethiopia. With few exceptions, passengers transiting through Ethiopia holding confirmed onward flight bookings within 72 hours may obtain transit visas on arrival. A departure tax of \$20 is levied on all foreign travelers (included in the airfare). Evidence of immunization against yellow fever is also required upon entry.

For more information, please refer to the Embassy's webpage at http://addisababa.usembassy.gov/information_for_travelers.html

Telecommunications

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There is only one telephone service provider in the country, the state-owned Ethiopian Telecommunications Corporation, that operates all fixed, mobile and internet service. SIM cards are available for sale through different outlets, and some hotels rent out mobile phones. There are payphones available both inside the airport and in parts of the city. Internet service is available at major hotels (though fees can be high) and at numerous internet cafes through the capital and in some larger regional cities.

Transportation

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Hotel shuttles are available to pick up visitors from the Addis Ababa Bole International Airport. In addition, taxis are widely available, though safety can be an issue. Foreigners are not advised to use public transportation (either buses or mini-buses).

Language

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There are more than 80 major language groups in Ethiopia, although the national language, Amharic, is spoken throughout the country. Oromiffa and Tigringna are other widely-used Ethiopian languages. English is the second official language and is understood in most towns and among the educated sector of the population.

Health

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Addis Ababa is located 8,000 feet above sea level, which may cause health problems, even for otherwise healthy travelers. Individuals may experience shortness of breath, blurry vision, slow reaction times, fatigue, nausea, headaches, leg cramps, ringing in the ears and insomnia. Drinking large amounts of bottled water sometimes relieves these symptoms. Health facilities are extremely limited in Addis Ababa and inadequate outside of the capital. Many medications are not available. Many regions outside of Addis Ababa are in malaria zones.

All travelers should possess a valid health certificate for yellow fever. Vaccination against cholera is also required for any person who has visited or transited cholera - infected area within six days prior to arrival in Ethiopia.

Other recommended vaccinations include: tetanus, hepatitis A, hepatitis B, typhoid, meningitis, poliomyelitis, and, for high-risk groups, rabies.

Local Time, Business Hours, and Holidays

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Ethiopia is in the GMT + 3 hours time zone. Ethiopia follows the Julian calendar, which consists of twelve months of 30 days each and a 13th month of 5 days (which will be or 6 days during leap years).

Holiday Schedule 2008

<i>Date</i>	<i>Day</i>	<i>Holiday Name</i>
January 7	Monday	Christmas
January 20	Sunday	Epiphany
March 2	Sunday	Victory of Adwa
March 20	Thursday	Birthday of the Prophet Mohammed
April 25	Friday	Good Friday
April 27	Sunday	Easter
May 1	Thursday	May Day
May 5	Monday	Patriots' Victory Day
September 11	Thursday	New Year
September 27	Saturday	Meskal
October 13	Monday	Columbus Day
December 9*	Wednesday	Id Al Adaha (Arefa)
January 7	Monday	Christmas

- **Date is based on lunar calendar and is subject to change.**

Temporary Entry of Materials and Personal Belongings

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Duty-free import is permitted for up to:

- 20 packets of cigarettes, or 250 gm of cigars, or 1/2 lb of tobacco.
- 2 liters of alcoholic beverages or wine.
- 1/2 litter, or two bottles, of perfumes.
- 1 radio.
- Personal hygienic and cosmetic articles (6).
- Recorded video and tape cassette (6)
- 1 laptop computer with accessories (to be taken out of country up on departure).
- 1 non-professional camera.
- Articles of personal use for taking care of daily necessities of life.

Visitors may export souvenirs with a value not exceeding Birr 500, although some articles (such as animal skins and antiques) require an export permit.

Web Resources

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Ethiopian Customs Authority

<http://www.mor.gov.et/ecaweb/dutyfree.htm>

Ethiopian Ministry of Foreign Affairs

www.mfa.gov.et/Consular_Affair_Diplomatic/Consular_Affair.php

Ethiopian Tourism Commission

www.ethiopiatourism.com

State Department Visa Website

www.travel.state.gov/visa/index.html

U.S. Embassy Addis Ababa

<http://addisababa.usembassy.gov>

U.S. Embassy Addis Ababa (Consular Section)

<http://addisababa.usembassy.gov/service.html>

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Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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U.S. Government Trade-Related

U.S. & Foreign Commercial Service
Commercial Service Eastern Africa
U.S. Embassy Nairobi, United Nations Avenue
P.O. Box 606, Village Market 00621, Nairobi, Kenya
Tel: +254-20-363-6000 (x6424)
Fax: +254-20-363-6065
Email: Jim.Sullivan@mail.doc.gov
www.buyusa.gov/kenya

U.S. Embassy Addis Ababa (Political/Economic Section)
Entoto Street,
P.O.Box 1014
Addis Ababa, Ethiopia
Tel: +251-11-517-4111 / +251-11-517-4450 / +251-11-517-4367
Fax: +251-11-124-2405 / +251-11-124-2431
www.addisababa.usembassy.gov

Export-Import Bank (EXIM)
811 Vermont Avenue, N.W, Washington, D.C. 20571
Tel: (202) 565-3946 or 1-800-565-EXIM
Fax: (202) 565-3380
www.exim.gov

Foreign Agricultural Service
U.S. Embassy, Nairobi, United Nations Avenue
Tel: +254-20-363-6000 (x6413)
Fax: +254-20-363-6349
www.fas.usda.gov

U.S. Department of Commerce
Market Access and Compliance – Office of Africa
14th & Constitution Avenues, N.W; Washington, D.C. 20230
Tel: (202) 482-4227
Fax: (202) 482-5198
www.commerce.gov

Ethiopian Government Ministries and other Agencies

Ethiopian Electric Power Corporation
P.O. Box 1233 or 3474
Addis Ababa, Ethiopia
Tel: +251-11-156-0041 / 156-0041
Fax: +251-11-155-2345
Email: eelpa@telecom.net.et
www.eepco.gov.et

Ethiopian Investment Commission
P.O. Box 2313
Addis Ababa, Ethiopia
Tel: +251-11-553-9474 / 551-0033
Fax: +251-11-551-4396
Email: ethiopian.invest@telecom.net.et
www.investinethiopia.org

Ethiopian Telecommunication Corporation
P.O. Box 1047
Addis Ababa, Ethiopia
Tel: +251-11-551-0500
Fax: +251-11-155-2345
Email: etc.ceo@ethionet.et
www.ethionet.et

Ministry of Agriculture and Rural Development
P.O. Box 63247
Addis Ababa, Ethiopia
Tel: +251-11-551-8040 / 552-2276
Fax: +251-11-551-2984 / 551-2884
Email: moard@ethionet.et
www.moard.gov.et

Ministry of Capacity Building
P.O. Box 1082
Addis Ababa, Ethiopia
Tel: +251-11-123-9911
Fax: +251-11-123-9872
Email: mocb5@ethionet.et
www.mocb.gov.et

Ministry of Finance and Economic Development
P.O. Box 1037
Addis Ababa, Ethiopia
Tel: +251-11-122-6698
Fax: +251-11-155-3844
E-mail: medac2@telecom.net.et
<http://mofaед.org>

Ministry of Foreign Affairs of Ethiopia
P.O.Box 393, Addis Ababa

Tel: +251-11-551-7345
Fax: +251-11-551-4300
Email: MFA.Addis@ethionet.et
www.mfa.gov.et

Ministry of Health
P.O. Box 486
Addis Ababa, Ethiopia
Tel: +251-11-551-7011
Fax: +251-11-551-9366
Email: moh@ethionet.et
www.moh.gov.et

Ministry of Information
P.O. Box 1364
Addis Ababa, Ethiopia
Tel: +251-11-552-7954
Fax: +251-11-553-3510
www.moinfo.gov.et

Ministry of Mines and Energy
P.O. Box 486
Addis Ababa, Ethiopia
Tel: +251-11-646-3166
Fax: +251-11-646-6134
mme@ethionet.et
www.mom.gov.et

Ministry of Revenue of Ethiopia
P.O. Box 2559,
Addis Ababa, Ethiopia
Tel: +251-11-466-7466
Fax: +251-11-466-2628
Email: mor@ethionet.et
www.mor.gov.et

Ministry of Trade and Industry
P.O. Box 704
Addis Ababa, Ethiopia
Tel: +251-11-551-3900
Fax: +251-11-151-4288
Email: moi@moi.gov.et
www.moi.gov.et

Ministry of Transport and Communications
P.O. Box 1238
Addis Ababa, Ethiopia
Tel: +251-11-551-6166
Fax: +251-11-155-15665
Email: moi@moi.gov.et
www.moi.gov.et

Ministry of Water Resources
P.O. Box 5744
Addis Ababa, Ethiopia
Tel: +251-11-661-1111
Fax: +251-11-661-0885
Email: mowr@mowr.com.et
www.mowr.gov.et

Privatization and Public Enterprises Supervising Agency
P.O. Box 11835
Addis Ababa, Ethiopia
Tel: +251-11-552-7322
Fax: +251-11-553-6629
Email: Pesaepa.et@ethionet.et
www.telecom.net.et/~epa/

Ethiopian Government Authorities

Addis Ababa City Administration Municipality
P.O.Box 9137
Addis Ababa, Ethiopia
Tel: +251-11-156-2394
Fax: +251-11-155-1295
Email: cib@ethionet.et
www.addisababacity.gov.et

Addis Ababa City Administration Transport Authority
P.O.Box 8639
Addis Ababa, Ethiopia
Tel: +251-11-661-4690
Fax: +251-11-661-4702
Email: a.a.tcd@ethionet.et
www.telecom.net.et/~aata

Addis Ababa City Finance and Economic Development Bureau
P.O.Box 205
Addis Ababa, Ethiopia
Tel: +251-11-155-2680
Fax: +251-11-155-1685
Email: aa.cgfb@ethionet.et
www.addisababacity.gov.et

Addis Ababa Master Plan (AAMP)
P.O.Box:23683(Code 1000)
Addis Ababa, Ethiopia
Tel: +251-11-662-2743
Email: oramp@telecom.net.et
www.telecom.net.et/~aamp

Addis Ababa Revenue Agency
P.O.Box 205
Addis Ababa, Ethiopia
Tel: +251-11-157-1482
Fax: +251-11-157-1483
Email: info@aarevenue.et
www.aarevenue.net

Disaster Prevention & Preparedness Agency
P.O.Box:5686
Addis Ababa, Ethiopia
Tel: +251-11-551-8050
Fax: +251-11-551-4788
Email: ddpc@gov.et
www.dppc.gov.et

Ethiopian Institute of Agricultural Research Organization
P.O.Box 2003,
Addis Ababa, Ethiopia
Tel: +251-11-646-2633
Fax: +251-11-646-1294
Email: dq@eiar.gov.et
www.eiar.gov.et

Ethiopian Airlines
P.O.Box 1755
Addis Ababa, Ethiopia
Tel: +251-11-661-5110
Fax: +251-11-661-1474
Email: publicrelations@ethiopianairlines.com
www.ethiopianairlines.com

Ethiopian ICT Capacity Building Program Development Agency
P.O.Box 1028
Addis Ababa, Ethiopia
Tel: +251-11-550-3973
Fax: +251-11-550-3974
Email: eictda@eictda.gov.et
www.eictda.gov.et

Ethiopian Insurance Corporation
P.O.Box 2545
Addis Ababa, Ethiopia
Tel: +251-11-551-2400
Fax: +251-11-551-7499
Email: eic.md@ethionet.et

Ethiopian Mapping Authority
P.O.Box 597
Addis Ababa, Ethiopia

4/2/2008

Tel: +251-11-551-8445
Fax: +251-11-551-5189
Email: ema@telecom.et
www.telecom.net.et/~ema

Ethiopian Science and Technology Agency
P.O.Box 2490
Addis Ababa, Ethiopia
Tel: +251-11-551-1344
Fax: +251-11-552-4400
Email: comm.@estc.gov.et
www.letecomestc.gov.et.net.et/~estc

Ethiopian Tourism Commission
www.ethipiantourism.com

Maritime and Transit Services Enterprise
P.O.Box 957, Addis Ababa
Tel: +251-11-551-0666
Fax: +251-11-551-4097
Email: mtse@teleocm.et
www.telecom.net.et/~mtse

Maritime and Transit Services Enterprise
P.O.Box 957, Addis Ababa
Tel: +251-11-551-0666
Fax: +251-11-551-4097
Email: mtse@teleocm.et

National Bank of Ethiopia
P.O.Box 5550
Addis Ababa, Ethiopia
Tel: +251-11-551-7430
Fax: +251-11-551-4588
Email: nbe.exced@telecom.net.et
www.nbe.gov.et

National Electoral Board of Ethiopia
P.O.Box 40812
Addis Ababa, Ethiopia
Tel: +251-11-551-4911
Fax: +251-11-551-4929
www.electionsethiopia.org

Market Research

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Market research reports produced by the U.S. Commercial Service can be found at www.export.gov/marketresearch.html by clicking on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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Addis Chamber International Trade Fair:

The 12th Addis Chamber International Trade Fair (ACITF) will be held during February 21-27, 2008, with the theme of **'Networking for Successful Business'** at the Addis Ababa Exhibition Centre, Addis Ababa. The major objectives of the fair include:

- Introducing Ethiopian business enterprises and their products to the general public and the international business community;
- Bringing together technology suppliers and seekers and facilitate its transfers;
- Serving as a platform for exploring the possibilities of joint venture investment in Ethiopia;
- Creating a forum where local and international business communities could come together and reach business agreements;
- Facilitating exchange of experience and information among the business community worldwide;
- Providing forum for buyer-seller meetings to exploit immediate trading opportunities;
- Attracting foreign direct investment (FDI) to Ethiopia; and
- Promoting the investment potential of Ethiopia.

Please click on the link below for information on upcoming trade events.

www.export.gov/tradeevents.html

www.addischamber.com/tradefair/tradefair.asp

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

The following are services offered by our commercial section:

- **The International Partner Search (IPS)** will help you find the most suitable licensees, distributors, agents and strategic partners. You provide your marketing materials and background on your company and using our extensive contacts in the target market; we identify potential partners and provide you with a detailed description of up to 5 pre-qualified prospects. You will:
 - Save valuable time and money by working only with pre-qualified international partners that best meet your needs.
 - Obtain valuable information on the marketability and sales potential of your products and services.
 - Get all this information within 15 working days.
- **Business Appointments**

The Gold Key program provides visiting American firms with pre-qualified and prescreened meetings with potential overseas agents, distributors, sales representatives and strategic business partners. This program features:

- Appointments with prescreened and pre-qualified Ethiopian firms
- Background and contact information on each potential partner, such as: the size of the company; number of years in business; product or service lines; and capability to provide after-sales service
- Customized market briefing with Commercial Specialists
- Available market research on the relevant industry sector
- Debriefing with Commercial Specialists to discuss results and plan follow-up action and more!

The Gold Key service in Ethiopia costs \$685 for the first day of appointments and \$325 for each additional day.

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at (800) USA-TRADE, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.